

Message Text

UNCLASSIFIED

PAGE 01 VANCOU 00553 170528Z

11

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SCEM-02 INT-08 FPC-01 OMB-01

TRSE-00 SS-20 PA-04 PRS-01 USIA-15 CIEP-02 CEA-02

COME-00 STR-08 NSC-10 CIAE-00 INR-10 NSAE-00 RSC-01

DRC-01 /123 W

----- 124796

R 162215Z OCT 73

FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC 1405

INFO AMCONSUL CALGARY

AMEMBASSY OTTAWA

UNCLAS VANCOUVER 553

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJECT: SHORTAGE B.C. NATURAL GAS MAY RAISE PRICES

REFERERCE: VANCOUVER 539

1. NATURAL GAS INDUSTRY SOURCE STATES THAT U.S. FEDERAL POWER COMMISSION(FPC) BY APPROVING THE WESTCOAST-EL PASO PRICE INCREASE AGREEMENT HAS AN UNUSUAL OPPORTUNITY TO FIX RELATIVELY LOW PRICES FOR B.C. NATURAL GAS TO U.S. CUSTOMERS THROUGH 1974. SOURCE WARNS HOWEVER THAT SHOULD AGREEMENT BE REJECTED BY FPC PRICES WILL MORE THAN DOUBLE WITHIN A YEAR'S TIME.
2. TO RELIEVE THE EXPECTED SHORTAGE (REFTEL) PAN ALBERTA GAS LIMITED HAS OFFERED TO BUILD A 40 MILE 12 INCH PIPELINE TO SUPPLY WESTCOAST WITH THE GAS IT NEEDS AT 49 CENTS PER MCF.
3. ALL CONTRACTS BETWEEN WESTCOAST AND SUPPLIERS IN FORT ST. JOHN FIELDS PROVIDE THAT SUPPLIERS ARE ENTITLED TO RECEIVE HIGHEST PRICE PAID BY WESTCOAST TO OTHER SUPPLIERS IN THE AREA, THEREFORE ACCEPTING THE PAN ALBERTA OFFER WOULD IMMEDIATELY ESCALATE WELL-HEAD PRICES IN FIELD FROM 13 TO 49 CENTS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VANCOU 00553 170528Z

4. WESTCOAST HAS REVISED AGREEMENTS PENDING WITH SUPPLIERS RAISING FORT ST. JOHN PRICES FROM 13 TO 21 CENTS. IF APPROVED BY FPC THESE NEW PRICES WILL BE BINDING THROUGH 1975. IF FPC REJECTS THEM, CONTRACTS PROVIDE THEY CAN BE IMMEDIATELY SUBMITTED TO COMPULSORY ARBITRATION, WHICH EXPECTED TO BE CLOSER TO 33 CENTS.

5. WESTCOAST AND THE B.C. ENERGY COMMISSION ARE ACTIVELY LOOKING AT ALTERNATIVE PROPOSALS THAT WILL RELIEVE THE NATURLA GAS CRUNCH EXPECTED THIS WINTER.
STUTESMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, SUPPLIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973VANCOU00553
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: VANCOUVER
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731028/aaaaaugx.tel
Line Count: 72
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: RCE: VANCOUVER 539
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 06 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Dec-2001 by bryansd0>; APPROVED <06 MAR 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHORTAGE B.C. NATURAL GAS MAY RAISE PRICES
TAGS: ENRG, CA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005